



Acquisition & Assistance Policy Directive (AAPD)

From the Director, Office of Procurement

Issued: February 4, 2003

AAPD 03-02

ES-06 Salary Rate for 2003

**Subject Category: Acquisition Management; Personal Services
Contracts**

Type: Other

AAPDs provide information of significance to all agency personnel involved in the Acquisition and Assistance process. Information includes (but is not limited to): advance notification of changes in acquisition or assistance regulations; reminders; procedures; and general information. Also, AAPDs may be used to implement new requirements on short-notice, pending formal amendment of acquisition or assistance regulations.

AAPDs are **EFFECTIVE AS OF THE ISSUED DATE** unless otherwise noted in the guidance below; the directives remain in effect until this office issues a notice of cancellation.

This AAPD: Is New Replaces/ Amends CIB/AAPD No: 02-02

Precedes change to: AIDAR Part(s) Appendix
 USAID Automated Directives System (ADS) Chapter
 Code of Federal Regulations
 Other
 No change in regulations

Applicable to: Existing awards; Modification required: N/A
 Effective immediately
 No later than
 As noted in Guidance section below
 RFPs/RFAs issued on or after the effective date of this AAPD; all other Pending Awards, i.e., 8(a), sole source...
 Other (or N/A)

New Provision/Clause Provided Herein: Yes; Scheduled update to Prodoc: (insert date)
 No

(signed copy on file)
TIMOTHY T. BEANS

AAPD 03-02 -- ES-06 Salary Rate for 2003

PURPOSE: The purpose of the AAPD is to advise that the (Senior Executive Service) ES-6 salary rate for 2003 has been increased to \$134,000.

BACKGROUND: **ADS 302** "USAID Direct Contracting" contains Agency policy establishing the ES-6 level as the threshold for M/OP Director approval of contractor salaries. The USAID Acquisition Regulation (AIDAR) cost principles and certain clauses refer to this policy, and the procedures for obtaining approval are also contained in ADS 302*. The ES-6 rate changes periodically by Executive Order.

GUIDANCE: The ES-6 rate is **\$134,000 per year** and is effective on the first day of the first applicable pay period beginning on or after January 1, 2003. This annual salary is the determining rate.

For estimating purposes, non-personal services contractors may use a maximum hourly rate of \$64.42. This hourly rate is provided for your convenience and is based on 2080 hours/year, the number used by many private sector entities. Contractors using methods based on or calculations using other than 2080 hrs/yr must request approval from the Contracting Officer if their methodologies result in annualized salaries exceeding the annual ES-6 rate above.

Because Personal Services Contractors are considered to be USAID employees for this purpose, their hourly rate is calculated using 2087 hr/yr, the number of work hrs/yr used for calculating the hourly rate for Federal employees. The ES-6 hourly rate for Personal Services Contractors is therefore \$64.20/hr.

Institutional contractor employees are NOT entitled to salary adjustments based on the locality-based comparability payments authorized for direct-hire U.S. Government employees.

This AAPD remains in effect unless cancelled or superceded.

FYI: The ES-6 rate was increased for 2003 by Executive Order 13282 "Adjustments of Certain Rates of Pay", published in the Federal Register on January 8, 2003 (68 FR 1131). The schedules may also be accessed on-line at the Office of Personnel Management website, at <http://www.opm.gov/oca/payrates/>.

POINT OF CONTACT: Direct questions about this AAPD to Ms. Diane Howard, M/OP/P, at (202) 712-0206 or dhoward@usaid.gov.

* At the time we issue this AAPD, ADS 302.5.3 and E302.5.3 are the specific references for the policy and essential procedures for the ES-06 salary policy. We are revising ADS Chapter 302, however, so these specific section numbers may change during 2003, although the policy will remain in the ADS chapter.